
OLR Bill Analysis

sSB 978

AN ACT CONCERNING SUBCONTRACTOR PREQUALIFICATION AND CLASSIFICATION THRESHOLDS AND INCREASING THE THRESHOLD FOR REQUIRING COMPETITIVE BIDDING OF PUBLIC WORKS PROJECTS.

SUMMARY:

This bill increases, from \$500,000 to \$1 million, the threshold triggering requirements for (1) a competitive bidding process for most state public works projects and (2) the selection of a Department of Administrative Services (DAS) prequalified contractor for certain state-funded public works projects by other public agencies. It establishes a separate awards process for state public works projects that cost less than \$1 million.

The bill also requires certain subcontractors to be prequalified by DAS at the time a bid is submitted. The law requires subcontractors with contracts worth more than \$500,000 for public works projects paid for in whole or in part by the state, except for those administered by the Department of Transportation (DOT), to be prequalified by DAS, but such subcontractors currently have until the project starts to become prequalified.

Additionally, the bill increases, from \$500,000 to \$1 million, the cost of emergency repairs that the Department of Construction Services (DCS) may contract for without certification to the Legislative Management Committee and the governor's prior approval. It also increases, from \$25,000 to \$100,000, the threshold triggering a requirement to separately list the cost of certain classes of work on a contract's plans and specifications. These classes are masonry; electrical; mechanical; and heating, ventilation, and air conditioning.

Lastly, the bill makes technical and conforming changes.

EFFECTIVE DATE: July 1, 2013, except the provisions concerning the separate process for projects costing less than \$1 million, the work class requirements, and certain technical changes, which are effective October 1, 2013.

COMPETITIVE BIDDING THRESHOLD

The bill increases the project cost threshold triggering competitive bidding. Under current law, with certain exceptions (e.g., DOT-administered projects), any contract for the construction, reconstruction, alteration, remodeling, repair, or demolition of any public building or any other public work by the state estimated to cost more than \$500,000 must be awarded, through competitive bidding, to the lowest responsible DAS-prequalified contractor. The law similarly requires that such projects by (1) DCS that use the design-build delivery method or (2) other public agencies (e.g., municipalities) financed in whole or in part by state funds be awarded to a DAS-prequalified bidder if the cost is more than \$500,000. The bill increases these thresholds to \$1 million.

SEALED BIDS FOR PROJECTS COSTING LESS THAN \$1 MILLION

The bill establishes a separate process of sealed bidding, developed by the DCS commissioner, for state public works projects estimated to cost less than \$1 million. (The bill is silent on projects that cost exactly \$1 million.) The process must be different from the competitive bidding process described above and include soliciting bids from (1) at least three contractors from a list of preselected contractors or (2) all available contractors on such a list if fewer than three are available. The contractors must be (1) deemed qualified by the DCS commissioner to perform the specific scope of work and (2) prequalified by DAS if the project is estimated to cost more than \$500,000.

This process must be followed whenever practicable and applies to all state public works projects that cost less than \$1 million except for those administered by DOT. However, by law, higher education institutions and the legislative and judicial branches are responsible for certain public works projects involving assets under their supervision

and control. It appears that these entities would continue to administer these projects, but would be required to select contractors deemed qualified by the DCS commissioner for the specific scope of work.

EMERGENCY REPAIRS

The law allows the DCS commissioner and the Legislative Management Committee to enter into contracts for emergency repairs to state facilities without competitive bidding. Under current law, the commissioner cannot act on a project costing more than \$500,000 without (1) the governor's written consent and (2) certifying to the Legislative Management Committee that a competitive bidding exception is warranted because of the project's emergency nature. The bill increases this threshold to \$1 million.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 14 Nay 0 (04/05/2013)